

## **Community Development Commission**

August 28, 2012

TO: Each Supervisor

FROM: Sean Rogan, Executive Director



**SUBJECT: UPDATE ON THE PURSUIT AND IMPLEMENTATION OF FUNDING MADE AVAILABLE IN H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009**

On March 31, 2009, the Board of Supervisors (Board) requested that the Community Development Commission/Housing Authority of the County of Los Angeles (CDC/HACoLA) report on the efforts to apply for, or take the necessary steps to accept, each category of funding contained within ARRA that the CDC/HACoLA is eligible to receive, either by formula or by competitive grant application. In all, the CDC/HACoLA was awarded \$33,603,148 of the \$114,312,431 applied for.

### **Funding Awarded**

#### **PUBLIC HOUSING CAPITAL FUND (CF)**

***Funding Amount:*** \$7,401,512 (by formula)

***Award of Funds:*** On March 31, 2009, the Board of Commissioners approved a motion to accept the grant funds, and funding became available to the HACoLA on May 14, 2009.

***Use of Funds:*** The funds are being used for security improvements, energy efficiency work measures, preventive maintenance, and general improvements at 12 public housing developments comprised of 2,500 public housing units. As a direct result of CF formula activities, the HACoLA has reported a total of 73 full-time equivalent jobs (that were created or retained) through the 4<sup>th</sup> Quarter of Program Year (PY) 2010-2011 to FederalReporting.gov.

***Expenditure Levels:*** As first reported on August 31, 2011, all funds have been expended.

***Provisions:*** The HACoLA must obligate 100% of the funds within 1 year, expend 60% of the funds in 2 years, and complete 100% of the fund expenditures in 3 years. The HACoLA has met the mandatory obligation deadline and has expended 100% of the grant.

***Funding Amount:*** \$5,924,000 (Applied for \$22,399,000 by competition)

***Award of Funds:*** On June 22, 2009, the HACoLA applied for \$16,475,000 in funding for improvements addressing the needs of the elderly and/or people with disabilities and public housing transformation. Additionally, on July 21, 2009, the HACoLA applied for \$5,924,000 in funding for energy efficient/green community projects.

***Use of Funds:*** The HACoLA was only awarded funding in the 'Creation of an Energy Efficient Green Community' category in the amount of \$5,924,000. Funds were granted on September 29, 2009, and are being used at the Nueva Maravilla housing development to reduce energy costs, generate resident and HACoLA energy savings, and reduce greenhouse gas emissions attributable to energy consumption. A total of 28 full-time equivalent jobs were created or retained through the 2<sup>nd</sup> Quarter of PY 2011-2012 and have been reported to FederalReporting.gov.

**Expenditure Levels:** On December 1, 2009, the Board approved the acceptance of the funds. As first reported on June 29, 2012, all funds have been expended.

**Provisions:** The HACoLA must obligate 100% of the funds within 1 year of the date in which funds become available for contracts. The U.S. Department of Housing and Urban Development (HUD) requires the HACoLA to use at least 60% of the funds within 2 years and 100% of the funds within 3 years. The HACoLA has met the mandatory obligation deadline.

#### **COMMUNITY DEVELOPMENT BLOCK GRANT-RECOVERY (CDBG-R)**

**Funding Amount:** \$8,080,528 (by formula)

**Award of Funds:** The CDC submitted an amendment to the CDBG PY 2008 Action Plan (as required by ARRA) on June 5, 2009, after receiving approval from the Board on June 2, 2009. The CDC received the CDBG-R Grant Agreements on August 26, 2009.

**Use of Funds:** The CDC worked with the agencies affected by CDBG/ARRA regulations and submitted a final list of projects for approval to HUD on August 13, 2009, and the Board on August 18, 2009. Both HUD and the Board approved the list for the CDC's CDBG-R Program. Originally, 65 projects were funded under the CDBG-R Program. Project activities completed included public facility improvements, infrastructure improvements, housing rehabilitation, economic development, public services, and administration. Infrastructure improvement projects included street resurfacing and improvements, sidewalk repairs and replacements, replacement of street signs, improvements to pedestrian crosswalks and speed bumps. These projects benefited approximately 82,294 low- to moderate-income residents. Projects benefiting 3,213 special needs individuals were also completed. ADA improvements included the building of 25 ramps, improvements and accessibility to sidewalks, ADA improvements to 3 public facilities, and accessibility and rehabilitation of a public facility housing individuals with special needs. Since the inception of the program, CDBG-R funded activities assisted, either directly or indirectly, approximately 2,001 small businesses located in the low-to-moderate income area of East Los Angeles, rehabilitated 534 housing units, repaired 14 public facilities, completed flood control landscaping and provided public services in low- to moderate-income areas benefiting at a minimum 1,902,269 residents.

Last month we provided information regarding the accomplishments for the 4<sup>th</sup> Quarter of Fiscal Year (FY) 2011-2012. Except for a handful of projects, these were the final quarterly progress reports for this program. Reports were submitted for 17 projects for the final reporting period. Accomplishments included the rehabilitation of 34 housing units, economic development grants which assisted 2 businesses serving areas benefiting 43,594 residents, and public facility improvements completed for 2 facilities that provide services in an area with 1,888,361 residents. All of these programs served communities that are predominantly low- to moderate-income.

The CDBG-R Program is in a closeout mode since all projects with participating agencies ended on June 30, 2012, with the exception of one that is being managed by the Economic and Housing Development Division of the CDC. Many of the projects were successfully

completed and closed out previously, however, we extended this activity through the end of September to ensure that staff had adequate time to spend the additional CDBG-R funds that were reallocated to this project. We expect to receive one last set of closeout progress reports in mid-September, with smaller bits of activities and accomplishments that were not captured in the final reports submitted on June 15, 2012. Since the inception of the program, a total of 1,634 jobs have been created or retained, which corresponds to 154.62 full-time equivalent positions.

**Expenditure Levels:** As of August 23, 2012, the CDC had expended \$7,891,158, or 96.97% of the total funding.

**Provisions:** The CDC must use all CDBG-R funds by September 30, 2012.

#### **HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)**

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**Funding Amount:** \$12,197,108 (by formula)

**Award of Funds:** The CDC submitted a completed application to HUD on May 18, 2009, which was subsequently approved the following June. Trainings on reporting, program monitoring, and general implementation were held for the applicable County Departments on August 19, 2009, and the CDC received the HPRP Grant Agreements on August 20, 2009.

**Use of Funds:** Implementation of HPRP began on October 1, 2009; and the Departments of Public Social Services, Consumer Affairs, Community and Senior Services, and the Los Angeles Homeless Services Authority (LAHSA) have been working collaboratively to deliver assistance to those in need. In addition, Neighborhood Legal Services began offering legal assistance and representation to persons and families with unlawful detainers on November 1, 2009. On August 31, 2010, the Board of Commissioners gave approval for 3 non-profit organizations (People Assisting the Homeless, Volunteers of America, and Union Station Homeless Services) to receive funding to provide HPRP services, and added 19 previously unserved cities that did not receive Federal or State HPRP funds within the County.

Previously, we reported that during the 4<sup>th</sup> and final quarter, the HPRP Program furthered its efforts to ramp down services by providing its last clients with placement services and exiting them out of the Homeless Management Information System (HMIS). The County's website (<http://housing.lacounty.gov/>), formerly used as an online Pre-Screening tool, is now limited to providing links to other resources available for those still seeking HPRP assistance. Homelessness Prevention and Homeless Assistance services during the 4<sup>th</sup> quarter were limited to case management and rental assistance. All clients were exited from the program and moved into permanent rental housing with no housing subsidy. In total, since the inception of the program, 3,879 individuals and 1,872 households received financial assistance or housing relocation and stabilization services through HPRP. This program was recently selected for its' meritorious accomplishments and "Best Practices" and will receive a Special Merit Award by the County's Quality and Productivity Commission.

The HPRP workgroup had one last final meeting to provide updates, and to discuss closeout procedures for the program. During the 4<sup>th</sup> quarter of FY 2011-2012, only 3 County Departments and LAHSA had program activity, and were down to 4 open projects.

Recently, the last of the remaining HPRP funds were reallocated to the 2 Operating Agencies that will spend the funds within the timeframes of the closeout period. These contracts were extended through August 30, 2012, to ensure that they have adequate time to spend the funds. One of these agencies is LAHSA, who is closely involved with the close out activities since they manage the HMIS. This agency will work closely with the County in the final reporting for the program.

LAHSA continues to collaborate with all participating agencies to coordinate HPRP data collection and evaluation in compliance with quarterly and annual reporting program requirements. Targeted technical assistance in data quality review continues to be the focus for County partners in the HMIS reporting, in preparation for the final annual reporting requirements, which are due in November 2012.

During the 4<sup>th</sup> quarter of FY 2011-2012, only 3 County Departments and LAHSA had program activity, and were down to 4 open projects. Recently, the last of the remaining HPRP funds were reallocated to the 2 Operating Agencies that will spend the funds within the timeframes of the closeout period and their projects were extended through August 30, 2012. One of these agencies is LAHSA. This agency will work closely with the County in the final reporting for the HPRP Program since they manage the HMIS.

Since the inception of the program, a total of 1,379 jobs have been created or retained, which corresponds to 249.76 full-time equivalent positions.

**Expenditure Levels:** As of August 23, 2012, the CDC had expended \$12,192,611, or 99.96% of the total funding. We had a total of \$4,497 left under this Grant Agreement, which we anticipate spending before August 30, 2012. We met the 60% expenditure requirement 2 months in advance of the August 18, 2011, deadline.

**Provisions:** HUD requires that 60% of the funds be used by August 18, 2011, and 100% by August 18, 2012.

### Unsuccessful Grant Applications

#### **GREEN RETROFIT PROGRAM FOR MULTIFAMILY HOUSING**

**Funding Amount:** Applied for \$2,260,000 by competition.

**Award of Funds:** The HACoLA submitted applications for the Kings Road and Lancaster Homes Housing Developments on June 15, 2009. The HACoLA did not receive this grant.

**Use of Funds:** Had the HACoLA been awarded, the funds would have been used for the modernization and rehabilitation of the Kings Road and Lancaster Homes developments.

#### **JUVENILE JUSTICE AND CRIME PREVENTION ACT PROGRAM (JJCPA)/EDWARD BYRNE MEMORIAL COMPETITIVE GRANT PROGRAM**

**Funding Amount:** Applied for \$974,283 by competition.

**Award of Funds:** The CDC submitted an application on April 27, 2009. The CDC did not receive this grant.

Each Supervisor  
August 28, 2012  
Page 5

**Use of Funds:** Had the CDC been awarded, the funds would have been used to support existing JJCPA programs.

**NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2)**

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**Funding Amount:** Applied for \$61,000,000 by competition.

**Use of Funds:** Had the CDC been awarded, the funds would have been used to supplement the NSP1 program, which includes the HERO program and Rental Infill Sites activities for tenants below 50% of the area median income.

If you have any questions, please contact me at (323) 890-7400, or Terry Gonzalez, Director, CDBG Division, at (323) 890-7150.

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Attachment

c: Each Deputy

Brence Culp, Chief Deputy Chief Executive Officer, Chief Executive Office

Ellen Sandt, Deputy Chief Executive Officer, Chief Executive Office

David Seidenfeld, Manager, Chief Executive Office

Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors

Lisa Rizzo, Principal Analyst, Chief Executive Office

Scott Wiles, Special Assistant, Chief Executive Office

Libby Boyce, Homeless Services Coordinator, Chief Executive Office

**The CDC/HACoLA**  
**American Recovery and Reinvestment Act of 2009 (ARRA) Final Award Amounts**

	ARRA GRANT OPPORTUNITY	FUNDING AGENCY	FORMULA AMOUNT/ \$ APPLIED FOR	AMOUNT AWARDED	GRANT AGREEMENT*
1	Capital Fund (formula)	HUD	\$7,401,512	\$7,401,512	Yes
2	Capital Fund (competitive) - Disabilities Category	HUD	\$9,235,000	Did Not Receive	No
3	Capital Fund (competitive) - PH Transformation	HUD	\$7,240,000	Did Not Receive	No
4	Capital Fund (competitive) - Green Technology	HUD	\$5,924,000	\$5,924,000	Yes
5	Community Development Block Grant - Recovery	HUD	\$8,080,528	\$8,080,528	Yes
6	Neighborhood Stabilization Program 2	HUD	\$61,000,000	Did Not Receive	No
7	Homeless Prevention and Rapid Re-Housing Program	HUD	\$12,197,108	\$12,197,108	Yes
8	Green Retrofit Program for Multifamily Housing	HUD	\$2,260,000	Did Not Receive	No
9	Edward Byrne Memorial Competitive Grant	DOJ	\$974,283	Did Not Receive	No
<b>Total Awarded Under ARRA</b>			<b>\$33,603,148</b>		

*\*Grant Agreement Received – Funds available for drawdown at U.S. Treasury.*